

QUALITY ASSURANCE PLAN

This Quality Assurance Plan (QAP) has been developed in conjunction with and in support of the requirements of the Statement of Work (SOW) in Solicitation No. DTFR53-00-R-00015. This plan sets forth the procedures and guidelines that the Federal Railroad Administration (FRA) will use to evaluate the contractor's performance and ensure that the services acquired under the subject contract conform to the contract's quality requirements and standards.

A. OBJECTIVES

The QAP is intended to--

1. Define the roles and responsibilities of participating Government officials;
2. Describe the surveillance, evaluation and documentation methods that will be employed by the Government in assessing the contractor's performance and ensuring that the contractor maintains an acceptable quality level of performance; and
3. Describe the significance of performance that is above or below the established standard(s) as it relates to the positive and negative fee incentives to be employed by the Government, and the impact these incentives will have on the value of the contract following the Government's evaluations.

B. ROLES AND RESPONSIBILITIES

1. The Chief of Contracting Office (COCO) serves as the Fee Determining Official (FDO) (see TAR clause 1252.216-71) --the final authority for all determinations related to payments/recoveries of fee awards or deductions for the subject contract. Generally speaking, the COCO will assess the information provided by the COTR or information otherwise freely available (to include histories or patterns of unacceptable or exceptional performance in one or more rated areas of the contract), and make final determinations on the amount of fee or other moneys to be paid or recovered for each quarterly payout/recovery period. The COCO will follow the assessments and payment/recovery recommendations of the COTR as concurred upon by the award fee board reviewers, to the maximum extent practicable (which the Government anticipates will occur in most, if not all cases); however, the COCO is not bound by the COTR's recommendations and may --with cause-- make a determination for payments or recoveries of moneys above or below that suggested, and may justifiably abandon the formats hereinafter, in favor of a comparable and equitable measurement strategy for payment/recovery of moneys. In accordance with FAR 16.405-2(a), the Government's judgmental determination --in this instance the COCO, as FDO-- of award fee for performance under a cost-plus-award-fee (CPAF) contract, is unilateral and is not subject to the Disputes clause.

2. The Contracting Officer (CO), pursuant to Federal Acquisition Regulation (FAR) 1.602-1, is the appointed official delegated authority to legally bind the Government in its contractual relationship --to the extent of the authority vested in that individual. The CO has the authority to enter into, administer and terminate contracts and make related determinations and findings. The CO is responsible for ensuring that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals, have been met before entering into a contract. The Contracting Officer is the only individual who can legally commit or obligate the Government for the expenditure of public funds. In accordance with FAR 1.602-2, "Contracting officers are responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interest of the United States in its contractual relationships." Among his/her other responsibilities, the CO is responsible for ensuring that contractors receive impartial, fair and equitable treatment.
3. The Contracting Officer's Technical Representative (COTR) is appointed by the CO and is responsible for monitoring the work under this contract. The COTR is responsible for the technical administration of the contract and technical liaison with the Contractor. The technical administration of the contract shall not be construed as authority to revise the terms and conditions of the contract. Any such revision shall be authorized in writing only by the Contracting Officer. The COTR is not authorized to change the scope of work or specifications as stated in the contract; or to make any commitments or otherwise obligate the Government or authorize any changes which affect the contract prices, delivery schedule, period of performance, or other terms or conditions.
4. The Contracting Officer may also designate additional personnel to serve as Quality Assurance Evaluators (QAEs) to assist the COTR in monitoring the work under this contract. The COTR will coordinate and manage the activities of QAEs, who will in turn, with the COTR's concurrence and consent, act as his/her agent within the limits of the COTR's authority --to the extent that the QAE(s) does not supplant that individual in his/her responsibilities or capacity as COTR.

Note: The Contracting Officer shall promptly countermand any action that exceeds the authority of the COTR or QAEs.

5. The Director, Office of Safety Analysis or designee at least one management level above the COTR, and the cognizant CO will serve as the award-fee board reviewers. They will assess the evaluations and recommendations of the COTR prior to submission to the COCO/FDO for final determination of fee payout/recovery.

C. SURVEILLANCE, EVALUATION AND DOCUMENTATION METHODS AND THE SIGNIFICANCE AND IMPACT OF POSITIVE AND NEGATIVE FEE INCENTIVES

1. Methods of Surveillance

The selection of the method(s) of surveillance depends on several factors including the frequency, complexity, criticality and the performance requirements and standards of the tasks or service to be performed and evaluated. Also to be considered are the availability of QAEs, surveillance value in relation to the task or service cost/criticality, and the availability of other resources. Surveillance includes scheduling, observing, documenting, accepting/rejecting service, and determining payment due. Whatever form(s) of surveillance used, the Government reserves the right to conduct any inspections, evaluations, surveys, and tests it deems reasonably necessary to ensure the quality of the goods and services its contracts for and the success of the contract. The Government will however take care to ensure that it does not unduly interfere with contractor operations.

a. Periodic Inspection. Periodic in-progress inspection of on-going services and service delivery, will serve as the primary method of surveillance for the subject contract. This method includes a predetermined plan for inspecting part of the work on a recurring schedule, using subjective judgement on how successful or unsuccessful the contractor has been in conducting the performance requirements and meeting the performance standards.

b. Customer Input. Customer input will serve as a secondary, less systematic method of surveillance for the subject contract. Customer surveys and validated customer complaints may be used in virtually any area of performance, and will usually serve to substantiate or supplement the COTR/QAEs' own assessments of performance. Customer input is an invaluable tool in assessing performance as customer satisfaction is the underlying principle to all evaluation criteria, and may, in itself, be a performance standard.

Note: Customer surveys are most likely to be used in the performance areas of Technical Support Help Desk, and Special [Programming] Project Enhancements. Customer complaints, which may come from any quarter as would be expected, must be verified and documented by the COTR.

Note: "Customers," for the purposes of this contract, include all potential [input/output] users of the RSIS system.

2. Evaluation Methods

The following forms have been developed as evaluation tools to rate and document the contractor's performance over specified periods of time, and to make recommendations on payment or recovery of moneys.

Surveillance Assessment Scoring Matrix - QAP Exhibit A
RSIS Subsystem Surveillance Assessment Record - QAP Exhibit B
Cyclic Reconciliation and Recommendation Worksheet - QAP Exhibit C

a. **Surveillance Assessment Scoring Matrix - QAP Exhibit A**

The Surveillance Assessment Scoring Matrix or "Scoring Matrix" (**Exhibit A**), for the purposes of the subject contract, is designed to measure the contractor's level of success or failure --in the Government's estimation -- in satisfying the performance requirements and standards, as defined in the Statement of Work (SOW). Assessments are made each quarter or approximately (-) 90 day period. The Scoring Matrix is used for contracts, contract line item numbers (CLINs), and/or Sub-CLINs that are awarded on a cost-plus-award-fee (CPAF) basis. (**Exhibit A**¹ is shown as an example for CLINs 1001, 2001 and 3001)

The Scoring Matrix serves a dual purpose-- (1) It provides the Government and the contractor relatively quick feedback on contractor performance of various work tasks, in terms of how well or how poorly performance is gaged as meeting the specific rating factors listed. (Note: Rating factors (e.g., quality, timeliness, technical ingenuity, and cost-effective management) function here as collective, judgmental concepts that embody or encompass the miscellaneous performance expectations outlined in the SOW. They are both the impetus or driving force of those very same performance expectations and their sum total.) This feedback serves to identify and motivate the contractor to strive for excellence in specific areas judged below that model of performance, and to sustain performance at or above acceptable levels of performance. (2) It is used to make subsequent recommendations and determinations -- on a quarterly basis-- on the amount of payment to or recovery from the contractor of positive or negative fee incentives or other moneys.

The COTR and QAEs are authorized to function as "evaluators" in completing the Scoring Matrix in accordance with procedures established herein, or pursuant to the subject contract. The evaluator should use the adjectival and corresponding numerical ratings --as outlined below-- which best measure, in his/her judgement, the value and merits of the contractor's performance for the period rated.

<u>Numerical Rating</u>	<u>Adjectival Rating</u>	<u>Performance Guidelines</u>
101% to 103%	Excellent	Exceptional with no omissions, weaknesses, or deficiencies of consequence. Greatly exceeds all standards and expectations.
100%	Good (Standard)	Average with no or minimal (correctable) omissions, weaknesses, or deficiencies of consequence. All standards/expectations are fully met.
95% to 99%	Moderate (AQL)	Acceptable deviation from standard. Sparse Acceptable few (correctable) omissions, weaknesses, or Quality Level deficiencies of consequence. Most if not all standards/expectations met.
90%, 92% or 94%	Fair	Marginal/well below average with a few (correctable) omissions, weaknesses, or deficiencies of consequence. Some standards/ expectation are barely/passably met.
75%, 80% or 85%	Poor	Far below average with more than a few (correctable) omissions, weaknesses, or deficiencies of consequence. Some standards/expectations are virtually not met.
0%, 25% or 50%	Unsatisfactory	Unacceptable/inept with (uncorrectable) omissions, weaknesses, or deficiencies of consequence. Most or all standards far from met. Success is jeopardized.

Note: Numerical rating allows for a judgmental gradation within the same adjectival rating. There are eighteen numerical ratings in all. The numerical ratings for "Moderate" through "Excellent" are in consecutive, sequential order with one percent point spacing. Numerical ratings for "Fair" are spaced by two percentage points; "Poor" are spaced five percentage points; and "Unsatisfactory" are spaced twenty-five percentage points. The uneven point demarcations between adjectival ratings are purposely made to incentivize or dis-incentivize performance based on the increasing or decreasing level of monetary value associated with that level of performance.

The evaluator must document all ratings, in writing, --other than ratings of **Good** (i.e., the "standard" or level of achievement or discharge of services at which performance is considered fully acceptable,) or **Moderate/Acceptable Quality Level (AQL)** (i.e., a level of deviation from the standard that is considered as having generally met the criterion for acceptable performance). To support the higher or lower ratings, documentation will typically be a summary of general performance or specific activities --that occurred during the rating period-- that are reflective of the strengths, effectiveness, or diligence verse the weaknesses, omissions or deficiencies (or the like) in contractor performance. Narrative summaries must contain sufficient information to substantiate the evaluator's rationale for his/her scored determination. Customer surveys/validated complaints may be used to supplement evaluation documentation.

(Note: The contractor must be informed, in advance, on the types of questions and feedback sought on customer surveys that may impact its ratings. Unless the CO determines otherwise, the contractor will not be privy to the identity of customer survey respondents.)

Services which on inspection are found not to be in conformance with contractual specifications and acceptable standards of performance shall be promptly rejected and notice of such rejection, together with appropriate instructions, will be provided to the contractor by the COTR. The choice of re-performance of work that has been identified as being poorly performed or not performed, is at the sole discretion and option of the Government. The contractor is required to re-perform, if the Government so chooses the option of allowing re-work. The contractor may be allowed the opportunity to correct a discrepancy provided the time needed to correct the discrepancy does unduly interfere with the time to perform any other requirement, including performance of that particular service in its normal sequence. If the contractor is to be allowed the opportunity to correct services, a specific time limit may be imposed. It is within the purview of the COTR to allow for re-performance when it is in the interest of the Government. It is also within the purview of the COTR to make the initial assessment on performance after re-performance, or to re-assess/re-score the initial assessment after re-performance --so long as the final assessment is completed within the normal time frames established herein for completing the surveillance and evaluation documentation.

3. Significance and Impact of Incentives

In the SOW, a task (CLIN/Sub-CLIN) is normally divided into manageable definable components or sub-tasks. When using the Scoring Matrix, these sub-tasks are each assigned a value to describe the ratio or proportional significance or worth each has in relation to the task as a whole. The value is expressed as a percentage of the neutral extended value of the CLIN/Sub-CLIN (the sum payable for meeting the standard), and the sum of all subtask values must equal 100% --the associated value of the parent task as a whole. The term "factor weight value" is used to describe the breakout of the available percentage points under the assigned subtask proportional percentage value, to denote the level of importance that is placed on the individual rating factors. All rating factors listed on the Scoring Matrix are not necessarily assigned a weight value or portion of the percentage points available and as such, are identified as "not rated." A rating factor identified as not rated, does not mean it is not applicable. In such instance, the unrated factor is considered to be other than a critical element in determining the level of success or failure in performance, but may be considered in overall evaluation when warranted. All rating factors assigned a weight value must be rated.

(Note: The contractor must be informed beforehand if the Government changes the rating factors or their relative degree of strength and importance, i.e., the assigned factor weight values.)

The assigned weight values are multiplied by the numerical ratings -- which are also depicted as a percentile-- chosen by the evaluator to determine the individual "factor percentage value" for each rating factor. The rating factor values are then added together to arrive at the rated percentage value for the sub-task. The combined, rated

percentage values for each sub-task are added to arrive at a recommended percentage point rating value for the task as a whole. If the standard was fully met in all areas the result would be a final total of 100%. Evaluations above or below the standard would result in a scored evaluation above or below 100%. The resultant task rating is the "recommended percentage value to be multiplied by the actual invoice(s)" for the approximately (-) 90-day period rated, with the product used as the recommendation of CLIN/Sub-CLIN payment for the period rated --up to the cumulative amount available under the maximum extended value.

b. RSIS Subsystem Surveillance Assessment Record - QAP Exhibit B

The RSIS Subsystem Surveillance Assessment Record or "Assessment Record" (**Exhibit B**), for the purposes of the subject contract, is designed to measure the contractor's level of success or failure --in the Government's estimation -- in satisfying the performance requirements and standards, as defined in the SOW. The Scoring Matrix is used for contracts, CLINs, and/or Sub-CLINs that are awarded on a fixed-price-award-fee (FPAF) basis.

The Assessment Record serves as a record of the Government's assessment on the quality and timeliness or untimeliness of the validation and processing operations (as defined in the SOW) for each subsystem. Assessments for the RAIRS and RIRS sub-systems are made each month or approximately (-) 30 day period. Assessments for the GCIS subsystem are made for each quarter or approximately (-) 90 day period. The Assessment Record is used to make recommendations and determinations --on a quarterly basis-- on the amount of payment to or recovery from the contractor of positive or negative fee incentives or other moneys.

In terms of quality, 100% accuracy in receipts control and verification of data transmission to both the National Institutes of Health (NIH) mainframe computer system and the FRA Washington file server is required and expected for each reporting cycle. As such, the quality and reliability of each sub-system is rated solely on a "Pass or Fail" basis.

Once the quality of the services is assured for each subsystem and the RSIS as a whole, a hierarchical FRA-preference on the availability of data within the framework of sub-system data bases, i.e., RAIRS over RIRS over GCIS, comes to the forefront. The application of incentive fees at this point is primarily a function of time.

In terms of timeliness or untimeliness, a specific number of days are established as the standard for completion of the work effort for each particular subsystem. For each subsystem, a maximum number of days in advance of the standard are established for application of a positive (gaining/bonus) fee incentive and a maximum number of days beyond the standard are established for application of a negative (losing/forfeiture) fee incentive.

(Note: The contractor must be informed beforehand if the Government changes the number of days established as the standard for completion of the work effort for a particular subsystem.)

The COTR and QAEs are authorized to function as "evaluators" in completing the Assessment Record in accordance with procedures established herein, or pursuant to the subject contract. The evaluator will use the Assessment Record to log his/her assessments on quality/reliability and delivery for each subsystem rated during the rating period. For each subsystem, the evaluator will make--

(a) An initial determination on the date of delivery, in terms whether of delivery is before, at, or after the number of days established as the standard for completion of the work effort for that particular subsystem. Notations must include the specific number of days in advance or beyond the standard that delivery occurred.

(b) An initial Pass/Fail determination and notation on the quality and reliability of the subsystem should be made. If quality is less than 100% after the initial rating, i.e., it failed, the FRA, i.e., the COTR, at its (his/her) option, may authorize re-performance. In which case, the number of performance days resumes until such time that the contractor makes the necessary corrections and re-transmits the data, i.e., re-deliveries. The evaluator must document the basis for his/her determination of each rating of "Failed." Narrative summaries must contain sufficient information to substantiate the evaluator's rationale for his/her scored determination. Customer surveys/validated complaints may be used to supplement evaluation documentation.

(c) A second determination on the date of delivery/re-delivery, in terms whether delivery is before, at, or after the number of days established as the standard for completion of the work effort for that particular subsystem. This second determination is generally only needed in those instances where re-performance is necessary and authorized. Notations must include the specific number of days in advance or beyond the standard that delivery occurred.

(d) A second Pass/Fail determination and notation on the quality and reliability of the subsystem should be made in those instances where re-performance is necessary and authorized.

(e) Subsequent delivery and Pass/Fail determinations (beyond the second such determination) based on the needs of the agency and the determination of the COTR. Quality/reliability that is less than 100% after the second determination, or delivery beyond the maximum number of days after the standard number of days established for completion of the work effort for that particular subsystem, may warrant employing additional contract remedies to include the use of liquidated damages and/or termination clauses.

3. Significance and Impact of Incentives

The Assessment Record also includes the corresponding monetary gains (positive fee incentives) and losses (negative fee incentives) that may be applied for each day the particular subsystem is delivered in advance or beyond the standard. For each sub-system, if the quality is 100% (Pass) and the time standard is fully met, then the contractor would be due a proportional amount, i.e., 1/12 for a month or 1/4 for a quarter, of the fixed-price CLIN Extended Neutral Value. For each sub-system, if the quality is 100% (Pass) and delivery is in advance of the standard then the contractor would be due a proportional amount of the fixed-price CLIN Extended Neutral Value, plus a time-driven positive incentive fee. For each sub-system, if the quality is 100% (Pass) and delivery is beyond the standard, then the contractor would be due a proportional amount of the fixed-price CLIN Extended Neutral Value, less a time-driven negative incentive fee.

Note: Positive fee incentives --for performance that exceeds the standards-- may not exceed the cumulative amount available under the maximum extended value of the individual CLINs or the contract as a whole. Negative fee incentives --for less than fully satisfactory performance-- should not exceed the cumulative amount available under the minimum extended value of the individual CLINs or the contract as a whole, excepting assessments made under applications of the liquidated damages or termination clauses for unsatisfactory performance.

c. **Cyclic Reconciliation and Recommendation Worksheet - QAP Exhibit C**

The Cyclic Reconciliation and Recommendation Worksheet or "Worksheet" (**Exhibit C**) is used to record the amount of fee payout or recovery balance of moneys suggested for that quarter's rated performance based on the information from the surveillance assessments (**Exhibits A & B**).

For the purposes of the subject contract, payment or recovery of funds may include, as applicable:

- (a) the reimbursable cost and a base fee amount (which may be zero (0) under a CPAF contract in accordance with FAR 16.305), or portions thereof;
- (b) the fixed-price (which may include a nominal fee), or a proportional amount thereof;
- (c) any positive(gaining/bonus) fee incentives for which the contractor has qualified and been recommended for as a result of performance above the standard;
- (d) any negative (losing/forfeiture) incentives to which the contractor is subject to as a result of performance that is less than fully satisfactory, i.e., not meeting the standard; or

(e) deductions for unsatisfactory performance pursuant to the liquidated damages clause.

Unless the Contracting Officer determines otherwise and so long as the contractor's accounting system is adequate for segregating and tracking costs, the contractor, as a small business concern and the incumbent with a previous history of successful performance and cost management, will be --for the purposes of providing adequate working capital-- pre-qualified at the performance level of "Good" or "Passed," with performance considered on-time, and otherwise meeting the standard. As such, the contractor may invoice for and receive payment --provided funds are available-- on actual costs incurred and the base fee only, or the proportional amount of the fixed-price-- for the period invoiced; prior to the forthcoming quarterly assessment rating, at normal intervals as would otherwise be allowed in accordance with the routine procedures under FAR clause 52.216-7 (MAR 1997). This is not an advance payment process.

Each quarter or cyclic period, the COTR, using the Scoring Matrices and Assessment Record, will determine the level of performance and the suggested payout/recovery amount for each respective CLIN, and reconcile those amounts with the actual invoiced amounts for the period rated. The COTR can then make recommendations --for each CLIN and all CLINs as a whole, as applicable-- based on the following guidelines:

- (1) If the assessment for performance is at the standard (i.e., Good or Passed), then no additional payment should be necessary.
- (2) If the assessment for performance is at a level above the standard (i.e., above a rating Good or Passed with advanced delivery) and recommendations are for payment of positive (bonus/gaining) fee incentives, then the contractor will typically be paid those amounts not previously paid or enjoined.
- (3) If the assessment for performance is below the standard (i.e., at or below a rating of Moderate/AQL or Passed with late delivery within the maximum level), then the contractor shall be responsible for payment of negative (losing/forfeiture) fee incentives or repayment of costs previously paid out on the presumption of fully successful performance or otherwise owed.
- (4) If the assessment for performance is deemed unsatisfactory (i.e., a rating of Unsatisfactory or Passed with late delivery beyond the maximum level or Failed), then the contractor shall be responsible for payment of (a) negative (losing/forfeiture) fee incentives or (b) any additional moneys that may be assessed under the liquidated damages clause, or repayment of costs previously paid out on the presumption of fully successful performance or otherwise owed.

At the Government's discretion, funds to be paid or recovered, may be handled either on a direct payment basis to the appropriate party to the contract for each transaction or group of transactions within a CLIN/Sub-CLIN of the subject contract, or it may (as is preferred) allow

for the use of offsetting principles to counterbalance the moneys owed and to be paid to the contractor against moneys owed and to be paid to the Government within or across CLINs/Sub-CLINs of the subject contract, but only for the immediate period(s) assessed.

This total pre-qualified approach is, in part, conditioned upon the contractor's ability to maintain adequate records of all cost incurrences, and fixed-price and/or cost and fee (base and incentive) payments or deductions, and offsets; and to properly record such information on its monthly progress reports as described in the contract or as otherwise requested by the Government.

On or before the 25th day of the month following the 3rd month evaluated for quarterly fee payments/recoveries of moneys, the COTR will prepare a memorandum to the COCO/FDO, recounting his/her assessments on the level of performance and recommendations for payments/recoveries of moneys for the period rated. The memorandum must be accompanied by--

- (1) copies of the completed Scoring Matrices (**Exhibit A**), Assessment Records (**Exhibit B**), and Worksheet (**Exhibit C**);
- (2) the associated supporting documentation for all Scoring Matrix ratings other than "Good" or "Fair", and Assessment Record "Failed" ratings; and
- (3) replies from the contractor affirming receipt of the same Scoring Matrices and Assessment Records, and any additional responses thereto.

The memorandum must be sent through the Director, Office of Safety Analysis or designee at least one management level above the COTR, and the cognizant Contracting Officer, for award-fee board reviews and consensus/concurrence or non-concurrence with dissenting arguments or alternative recommendation appended, before being routed to the COCO/FDO for final determination on the amount of fee payout or recovery.

d. Other

Under CPAF type contracts, as is the subject contract, "The amount of award fee to be paid . . ." IAW FAR 16.405-2(a), ". . . is determined by the Government's judgmental evaluation of the contractor's performance in terms of criteria stated in the contract. This determination is made unilaterally by the Government and is not subject to the Disputes clause." This policy shall not be countermanded nor its spirit violated. However, in the interest of better service and cooperation between the contracting parties, the COTR will provide upon its completion, a copy of each Scoring Matrix and Assessment Record to the contractor, and the contractor will be allowed to furnish supportable comments, rejoinders, or rebuttals. Such statements may be considered at or before the time of each cyclic determination by the Government on payment for or recovery of incentive fees or other moneys. With due consideration of all the information at its disposal, the Government's determination on the amount of fee payout or recovery will be final.

Positive and negative incentives will be routinely monitored to confirm that they have the intended impact on subsequent contractor performance, while simultaneously ensuring that the costs (in terms of money and all other respects) for superior technical performance or delivery results do not outweigh their value to the Government. This QAP also serves as the Performance Evaluation Plan (see TAR clause 1252.216-72), and may, consistent with the contract, be revised unilaterally by the Government at any time during the period of performance.

To the maximum extent practicable, the following schedule of events should be adhered to:

10th day of the month or sooner
following the 3rd month evaluated
for quarterly fee payout/recovery

COTR/QAE should complete Scoring Matrices
and/or Assessment Records

15th day of the month or sooner
following the 3rd month evaluated
for quarterly fee payout/recovery

COTR/QAE should furnish contractor copy
of Scoring Matrices and/or Assessment Records

20th day of the month or sooner
following the 3rd month evaluated
for quarterly fee payout/recovery

Contractor shall affirm receipt and furnish
CO/COTR any responses to Scoring Matrices
and/or Assessment Records

25th day of the month or sooner
following the 3rd month evaluated
for quarterly fee payout/recovery

COTR should furnish fee award board with
documentation and recommendations on
positive/negative fee incentives

30th day of the month or sooner
following the 3rd month evaluated
for quarterly fee payout/recovery

COCO/FDO should make final determination
on payout/recovery of fees